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# International Issues Review

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## INTERNATIONAL ISSUES

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Disarmament has increasingly become a North-South issue, with the LDCs tending to take common positions in opposition to those of the developed countries. This article examines the roots of LDC diplomacy on disarmament and forecasts the themes that LDCs will emphasize in disarmament debates during the next several years. [REDACTED]

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ASEAN: DYNAMICS OF ARMS TRANSFERS AND RECEPΤIVITY  
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Military assistance from the US is regarded by the ASEAN states as a barometer of US commitment to their security and to stability in Southeast Asia. Already apprehensive about the credibility of this commitment, they might react to attempts to establish a formal CAT restraint regime in Southeast Asia by increasing their arms purchases generally and seeking new, non-US sources of supply. [REDACTED]

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### NORTH-SOUTH

THE NORTH-SOUTH DIALOGUE AND US RELATIONS WITH  
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The North-South dialogue plays an important, although secondary, role in the foreign policies of developing countries that are of key concern to the US. This article assesses the indirect impact of the dialogue on US bilateral relations with five countries--Venezuela, Jamaica, Nigeria, Indonesia and India--and on US interest in other multilateral forums. [REDACTED]

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### The LDCs and Disarmament

Disarmament has become, in part, a North-South issue. That is, the less developed countries tend to hold in common certain positions that are opposed to those of developed countries and that the LDCs try, as a group, to advance in broad-based multilateral forums. The first UN Special Session on Disarmament (SSOD)--a proposal of the Nonaligned Movement--in May and June of this year confirmed the addition of disarmament to the list of topics that have become vehicles for the LDCs' dialogue with the industrialized world. The LDCs saw the SSOD as an extension of the 6th and 7th Special Sessions (which addressed raw materials, development, and international economic cooperation) and a continuation of their efforts to establish what would be, in their view, a more just international order.

The LDCs still tend to be less unified on disarmament questions than on trade, resources, and most other economic matters. To the extent that a distinctive LDC perspective on disarmament does exist, however, its significance in world politics has been enhanced by its role in the Third World's challenge to the political, military, and economic power of the industrialized nations. Furthermore, the funneling of such a perspective through the Group of 77 and other LDC diplomatic caucuses gives it focus, prominence, and support it would not have if it were only voiced separately by individual governments.

This article discusses the roots of LDC diplomacy on disarmament in order better to understand and anticipate the LDCs' disarmament goals and how they will be pursued during the next several years. These roots are found mainly in four characteristics that the LDCs share and that distinguish them from the industrialized states, particularly the nuclear powers:

- They are not major participants in arms control negotiations.

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- Their military forces have limited operational range and sophistication.
- They have no role in managing the strategic nuclear balance.
- They are, by definition, economically less developed.

Because the LDCs will generally continue to share these characteristics during the coming years, their posture on disarmament will remain largely unchanged. In most respects, therefore, the second Special Session on Disarmament, to be held in 1982, will resemble the first. The LDCs will probably become more assertive, however, and may, depending on the initiatives of developed countries, change the emphasis they place on individual issues.

\* \* \*

The LDCs define responsibility for disarmament in a way that accentuates the North-South dimension of the issue. On one hand, they assert that it is up to the major powers, and particularly the nuclear-weapons states, to undertake unilateral measures to halt and reverse the arms race. On the other hand, they contend that disarmament is the legitimate concern of all states both because a nuclear war would engulf everyone and because the arms race diverts resources from economic development. They extend this reasoning to argue that LDCs are special victims of this race because they have served as the battlefields where developed countries have played out their rivalries. These views enable the LDCs to rationalize their full participation in disarmament debates while placing most of the blame for the arms race elsewhere.

Understanding the basis for LDC views on disarmament matters is important for two reasons. First, these views will henceforth be articulated in more forums than ever before--not just SSOD II, but an expanded Committee on Disarmament in Geneva, a resurrected UN Disarmament Commission, and the regular sessions of the General Assembly's First Committee. To respond constructively

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to the LDCs without damaging arms control efforts or Western strategic interests will be a formidable diplomatic challenge, the success of which will influence the course of other discussions between North and South. Second, because the LDCs' collective perspective is the principal ingredient of global opinion on disarmament, it will largely determine what arms control initiatives will appear politically profitable to the Soviet Union or Western allies.

The following discussion describes general tendencies of LDCs' disarmament diplomacy--that is, the themes that their characteristics as LDCs lead them to pursue. In practice, of course, individual states may depart from these tendencies for particular political or strategic reasons. The general tendencies are probably more noticeable than the departures, however, because LDC representatives at multilateral forums often take their cues more from their group than from their capitals.

#### Weak Partners in Disarmament

The LDC perspective toward global issues is, first of all, the perspective of the weak, of states that realize they have less influence on world affairs than the industrialized nations. This is particularly true with regard to disarmament, where the expansion of the LDCs' role has lagged behind its increase on such issues as trade and the management of natural resources. The LDCs have bolstered their voice on disarmament matters, but it is still a voice from outside the handful of developed states that play a disproportionately large role in disarmament because they manufacture and own a disproportionate share of the world's armaments.

As the weak players in the disarmament process, the LDCs favor some of the same techniques used by the weak in other domestic and international political contexts. Specifically, they try to effect change by: (1) mobilizing opinion; (2) applying binding, legal restraints on the strong players; and (3) democratizing institutions.

Mobilization of mass opinion is a natural technique for those who are not at the center of power but who feel they have the force of numbers on their side. It is a

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populist, grass-roots technique of change, similar to domestic populism except that the relevant masses are spread over the globe and include both the public in developed countries and the elites and governments of LDCs. For the LDCs, disarmament diplomacy itself is largely a matter of mobilizing global opinion against the arms race. They intended the SSOD to be an exercise in education and inspiration--a point made both literally and symbolically by Colombia, which was represented by its Minister of Education. In such gatherings, the LDCs push certain themes because of their long-term value in shaping global opinion even if they are clearly useless in wresting direct concessions from the major powers.

Despite the LDCs' frequently expressed demands for action, not talk, on the central problems of nuclear disarmament, their reliance on the mobilization of opinion makes them enthusiastic about a variety of seemingly peripheral informational activities, including UN-sponsored studies, reports, yearbooks, periodicals, and scholarships. In other words, talk that merely delays or replaces action by the major powers is not acceptable to the LDCs, but talk that broadens awareness of the consequences of an arms race will enjoy their active support. Their stress on dissemination of information on disarmament dovetails with their campaign to enlarge their role in the dissemination of all types of information--an objective which they call the New World Information Order and pursue in forums like the UN General Assembly and the UN Educational, Scientific, and Cultural Organization.

The LDCs' concern with the global climate of opinion also underlies their positions on more central issues of disarmament. They give first priority to the reduction of nuclear arsenals partly because of the beneficial impact it would have on this climate. They contend that such a highly visible action, by demonstrating good will and increasing the momentum of disarmament, would encourage reductions in conventional arms and discourage nuclear proliferation. The belief in this psychological linkage is strong, even though the strategic linkage between these issues may work the other way in some cases. For example, a reduction in the superpowers' arsenals might lead an LDC to place increased importance on its own conventional weapons or a nascent nuclear weapons program.

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A second favored technique is the legal restriction of the major powers' military programs and activities. Those who are weak in a free market will often attempt to make the market less free by legislating restrictions. The LDCs, therefore, favor binding international conventions on such subjects as the use of nuclear weapons against non-nuclear-weapons states and the development of new weapons of mass destruction. Western arguments that these proposals are not feasible do not convince many LDCs because it is the principle of legislating restrictions on the military activities of the powerful, not the effectiveness of any one convention, that is most important to them. They will continue to call for conventions even where a convention would not appear to offer the LDCs any more security than they could receive from the unilateral assurances of major powers. For example, it seems dubious that the leader of a nuclear-weapons state would feel more restrained in the use of nuclear weapons by a convention than by his own previous declarations on the subject. The LDCs' enthusiasm for legal instruments is abetted by the Soviet Union, which has drafted conventions on both of the subjects mentioned above.

A third technique of weak states is to seek to improve their relative standing by demanding greater participation in international institutions. The LDCs have placed heavy emphasis on the democratization of disarmament machinery, with three specific objectives in mind.

The objective that has been most fully met to date is that of making maximum use of broad-based forums, in which the LDCs, by force of numbers, participate on a more equal footing with the developed world than they do elsewhere. In line with LDC wishes, the SSOD reaffirmed the primacy of the General Assembly in disarmament matters, provided for future special sessions on disarmament, and reactivated the UN Disarmament Commission (which includes all UN members). The one additional step that could be taken along this line would be the convening, and perhaps institutionalization, of a World Disarmament Conference (WDC). The LDCs would look upon a WDC as a counterpart in the disarmament field to the United Nations Conference on Trade and Development. But a WDC, having been championed by the Soviets in recent years, has become as much a Sino-Soviet and East-West issue as a North-South

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one, and LDC demand for it is likely to remain muted as long as periodic special sessions of the General Assembly are held.

A second objective is to increase LDC participation in the more restricted forums that negotiate disarmament agreements. Several measures to democratize the Committee on Disarmament (formerly the Conference of the Committee on Disarmament) in Geneva have recently been taken to satisfy LDC wishes, including replacement of the US-Soviet cochairmanship by a rotating chair, an expansion of membership (with six of the eight newcomers being LDCs), and greater access to the Committee for nonmembers. The Committee's proceedings will also be opened to public view--a change that supports the LDC objective of mobilizing opinion. These reforms will not, however, prevent the superpowers from continuing to negotiate privately and involving the Committee only after they have reached agreement between themselves. This limitation is likely to generate frustration among the LDCs in the coming months (especially if the negotiations on chemical weapons limitation and a comprehensive test ban stagnate) and to lead to demands for further democratization of the negotiation process, although it is unclear what specific measures might be proposed.

The third objective, and one that has thus far not been met at all, is to obtain greater LDC involvement in monitoring arms control agreements. In fact, the LDCs as a group have not yet clearly articulated this as a demand, but it is the logical sequel to democratization of the deliberative and negotiating bodies. It also is portended in the favorable LDC response to France's proposal for an international satellite verification agency. The French scheme appeals to the LDCs because it asserts and applies the principle that arms control is the legitimate concern of all states, not just those with the technological means to monitor the process unilaterally. This assures continued LDC support for the proposal--which France seems determined to press--even though few, if any, of these states can confidently predict how such an agency might impinge on their own military activities.

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### The Military Technology Gap

The limited operational range and sophistication of their military forces is the second characteristic that shapes the LDCs' positions on disarmament. It is clearly reflected in their priorities for disarmament negotiations; they place the advanced weapons they do not possess (nuclear, followed by chemical, incendiary, and other weapons of mass destruction) at the top of their list of weapons to be controlled or eliminated, with conventional weapons and the reduction of armed forces at the bottom. It also leads them to favor measures that restrict the long-range operations of the major powers' forces--hence their support for zones of peace and nuclear-weapons-free zones and their denunciation of foreign military bases and overseas troop deployments. Rooted in memories of the colonial era, these positions continue to receive the LDCs' collective endorsement even though many of them maintain a military relationship with a major power or turn a blind eye toward Cuban intervention in Africa.

This is not just a tactic of keeping the burden of disarmament off their own backs and placing it on those of the developed countries. It also reveals a degree of technological envy. The LDCs express more distress about qualitative improvements in weapons--a game they have little ability to play--than about quantitative arms racing, even when the discussion is confined to the superpowers' arsenals. This is why they often seem to give higher priority to a comprehensive test ban treaty than to a SALT II agreement. They see the first as a restriction on further refinements in nuclear weapons but the second as a framework that would permit such refinements. It is also why they call for a prohibition of new weapons of mass destruction, even though no one can adequately describe such weapons. Conversely, they give little attention to technologically irrelevant measures like the reduction of military budgets, despite the rhetorical mileage they get out of condemning total global military spending.

LDCs view some arms control issues as technology transfer issues as well. Conventional arms transfers provide a case in point. Some LDCs view arms transfer restraint as a device intended by developed states to

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restrict the dissemination of technology (including that having commercial as well as military uses) for their own benefit. This suspicion exists among customers who wish to buy the most advanced equipment as well as among budding arms producers who chafe over restrictions accompanying licensed production and co-production arrangements. Another technology transfer related issue is nuclear proliferation, with even those LDCs that support the Nonproliferation Treaty stressing the importance of ensuring fair access to nuclear energy technology. These concerns are likely to continue unabated because they complement the campaign the LDCs are waging in other forums to increase transfers of all types of technology from the North to the South. The issue will receive even more attention with the approach of the UN Conference on Science and Technology for Development, scheduled for the autumn of 1979.

#### The Rejection of Nuclear Deterrence

The nuclear balance is the foundation of the strategic relationship between the superpowers (and between NATO and the Warsaw Pact), but the LDCs have no direct role in managing it. This leads them to doubt whether such a balance can, or should, be managed at all. They see themselves as sharing the dangers but not the benefits of nuclear deterrence; they would suffer from a nuclear war but the values that would be defended in such a war would not be their values. The superpowers' deterrent forces are, in fact, part of the very concentration of military power that perpetuates what the LDCs contend is an inequitable world order. They want to change that order, not manage it. Consequently, they deny the utility of nuclear deterrence and reject any notion of "winning" a nuclear war.

From this basis, LDC spokesmen easily spin several themes that appeal not only to themselves but also to many people in Western countries. One is that a reliance on nuclear deterrence violates the commitments in the UN Charter to settle disputes peacefully and not to threaten the use of force. A second is that the nuclear balance is inherently unstable because each innovation in weapons design begets another--a theme that also reflects the LDC concern over qualitative improvements.

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The LDCs are quick to denounce new developments in nuclear weapons but slow to distinguish one development from another or to consider how deterrence might be made more stable. For example, they criticize the enhanced radiation warhead ("neutron bomb") as yet another qualitative improvement, but LDCs that are not obvious Soviet clients are reluctant to follow the Soviet lead in singling it out from other qualitative improvements, and few LDCs seem to care about its effect on stability. They consider the warhead's impact on the military balance in Europe and the course of any war there-- subjects of much concern in Western diplomatic and defense circles--as irrelevant to their concerns. Proposals intended to enhance stability without changing the number or sophistication of weapons (so-called confidence building measures, such as advance notification of maneuvers) arouse little LDC interest at all.

#### Disarmament and Development

The LDCs' desire for accelerated economic development and a greater transfer of resources from the industrialized world shapes their multilateral diplomacy more fully, in more forums, than any other goal or attribute they share. Disarmament is less directly related to these objectives than are the strictly economic subjects that have been addressed in many international conferences. Furthermore, any relationship between military spending and economic development within the LDCs is variable and complex, with some countries (South Korea being the outstanding example) demonstrating that a large defense budget is not necessarily incompatible with rapid economic growth. Nevertheless, the LDCs link disarmament to development by blaming the developed countries' military spending, much more than their own, for retarding their economic progress.

The LDCs point out, first, that arms and armed forces consume resources that could otherwise be used for development assistance. Second, a continuing arms race with its accompanying tensions encourages the major powers to distort the flow of aid so that it reflects their political and strategic objectives more than the economic needs of LDCs. Third, an arms race, by hampering international cooperation generally, makes it more difficult for the LDCs to promote and achieve a

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New International Economic Order (NIEO). Finally, the LDCs contend that high military spending causes economic dislocations (principally inflation) in the developed countries that spread through the world economy and, in a deleterious trickle-down process, harm the LDCs as much as anyone.

By focusing attention on the developed countries' spending even when the alleged harm occurs in the Third World, these arguments promote LDC consensus and avoid embarrassing questions about the LDCs' own military spending. These same purposes are served by the LDC responses to specific proposals that relate to military spending. They show little interest, for example, in participating in a universal system of reporting of military expenditures, even though they welcome European initiatives that acknowledge a link between development and disarmament (such as a French proposal for an International Disarmament Fund for Development). Similarly, reluctance to discuss conventional arms transfers stems in part from the fact that such transfers account for a larger proportion of military spending by LDCs than by developed countries, and thus any such discussion would necessarily concentrate on LDC purchases.

The inclination of LDCs to talk more about military spending in the industrialized world than about the effects their own expenditures have on development highlights the extent to which they see disarmament in North-South terms. This becomes even clearer when their spokesmen turn the disarmament-development link around, as they often do, and describe disarmament as not only a precondition but a consequence of the NIEO. Reducing the disparity between rich and poor and the vulnerability of LDCs to external control, they believe, would remove a source of instability and an impetus to arms racing. This definition of the problem justifies their use of disarmament forums to articulate economic demands and, to this extent, brings arms racing into line with population growth and pollution as problems that the LDCs prefer to describe more as effects than as causes of their principal grievance, that is, economic inequality.

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North and South in Future Disarmament Debates

The LDCs' interest in disarmament as a multilateral issue will continue unabated for the foreseeable future because, as discussed above, a distinctive group perspective on the subject is rooted in several of the attributes that LDCs share and that set them apart from the developed world. In addition, this perspective neatly meshes with some favorite LDC themes, particularly the NIEO. With broadened LDC participation in disarmament forums, the subject will be an even more convenient vehicle for the South to press its demands against the North.

Because the LDC disarmament platform rests on several sweeping proposals--aimed at disarmament in the narrow sense, not just arms control--that are unlikely to be adopted in the next few years, the platform will probably remain largely unchanged during this time. In most respects, SSOD II will resemble SSOD I. Any change that does occur in the LDC posture, and in the tenor of disarmament debates in the General Assembly, will be largely due to three factors.

The first is the overall course of the North-South dialogue on economic issues. Any acrimony in this dialogue is likely to spill over into the disarmament debate, with LDC dissatisfaction in one arena encouraging LDC inflexibility in the other.

A second factor is the arms control diplomacy of developed countries. Progress in major East-West negotiations--especially the comprehensive test ban and SALT III--will temper the LDCs' sense of outrage and urgency, while lack of progress will fuel it. Also, LDC interest in many disarmament questions will continue to be stimulated by initiatives of developed countries. The sponsor may genuinely share an interest with LDCs (for example, France and a satellite verification agency), or it may be more concerned with scoring diplomatic points (probably the USSR's chief motivation in proposing a treaty on mass destruction weapons). We can expect more initiatives of both types in the coming years.

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The third factor is the degree to which the LDCs can maintain a united front on disarmament in the face of the many differences that divide them. The group's cohesion affects not only the degree to which the LDCs can press their case against the developed world but also their disarmament agenda. This is because the most important issues for the group are not always the most important ones for its individual members, even its leading members. For example, the group emphasizes the disarmament-development link because it complements so well the economic demands it makes in other forums, but this question receives less attention in many LDC capitals than nuclear proliferation, arms transfers, and regional arms control--issues that bear more directly on the security of many states.

Although much will depend on these variables, SSOD II is likely to be more contentious, perhaps with resort to voting instead of consensus, than SSOD I. One reason for this is simply the passage of time and the likelihood that so many LDC demands will still be unfulfilled. Those among the LDCs who favor a tough approach will be able to argue that a more conciliatory approach has already been tried and has failed to produce concrete results. Their argument will fall on particularly receptive ears if the major powers appear to be approaching the session, as they approached SSOD I, with the intention of limiting diplomatic damage rather than taking significant new initiatives. Another reason is that there are many conflicts and tensions in world politics capable of disrupting a world conference or a UN General Assembly session, and it was perhaps only by luck that none of them managed to disrupt SSOD I. In fact, an initiative by radical Arab states to condemn military and nuclear cooperation with Israel came perilously close to destroying the consensus procedure at the session. A US diplomat later described the achievement of consensus as a "diplomatic miracle"; only an inveterate optimist would expect two miracles in a row.

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ASEAN: Dynamics of Arms Transfers and Receptivity to Restraints

A US-initiated or sponsored proposal to restrict arms sales to Southeast Asia could have an adverse impact on US relations with the ASEAN states--Indonesia, Malaysia, the Philippines, Singapore, and Thailand. In the absence of a formal security arrangement, the ASEAN states tend to measure the US commitment to their security by the size of the flow of US economic and military assistance to the region. Some of these countries have already expressed apprehension about the credibility of the US commitment to their security because of US arms sales restrictions and human rights problems. Attempts to place formal restraints on arms flows--not only from the US but also from other suppliers--could heighten ASEAN fears that the US is abandoning the region and could motivate these countries to increase their arms purchases generally and to seek new non-US sources of supply.



\* \* \*

Trends and Patterns

The five ASEAN states accounted for about 80 percent--or US \$2,015.8 million--of total arms sales to Southeast Asian nations during the 1973-77 period; Indonesia and Thailand received the most and Singapore the least.\* In 1978 the ASEAN states spent, on the average, between 14 and 15 percent of their budgets and 4 percent of their GNPs on defense, compared with an average of 6 percent of GNP for all LDCs. While the total volume of defense expenditures has increased since 1975, the defense portion of total government budgets has actually stayed the same or declined in all the ASEAN states except Thailand. Moreover, as a percentage of GNP, defense

\*See table 1. The other Southeast Asian states are Burma, Kampuchea, Laos, and Vietnam.

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TABLE 1

Arms Sales to ASEAN  
1973-77, By Recipient\*  
(Millions of US Dollars)

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	1973	1974	1975	1976	1977	1973-77 TOTAL
INDONESIA	17.6	99.5	194.7	255.1	124.3	691.2
MALAYSIA	41	61.2	22.1	102.3	49.4	276.0
PHILIPPINES	31.5	48.3	78.5	71.7	93.9	323.9
SINGAPORE	20.2	17.5	20.8	58.7	120.4	237.6
THAILAND	<u>88.6</u>	<u>58.6</u>	<u>47.4</u>	<u>141.8</u>	<u>150.7</u>	<u>487.1</u>
						\$2,015.8

\*Sales are understood as agreements reached not actual deliveries.

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expenditures for all these countries have declined since 1975.\* Purchases of missile boats, fighter and transport aircraft, and tanks accounted for the bulk of this spending. [redacted]

The United States has dominated the ASEAN arms market. During the 1973-77 period, its share was substantially higher (52 percent) than that of its nearest competitor, the Netherlands (10 percent), and has been steadily increasing. Total volume of US arms sales to the five ASEAN states has also steadily grown from about US \$110 million in 1973 to US \$397 million in 1977. The remainder of ASEAN arms were provided by such other, primarily non-Communist states, as Australia, West Germany, France, the United Kingdom, Spain, Italy, Sweden, Israel, Yugoslavia, and South Korea (see table 3). [redacted]

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#### Motives for Acquiring Arms

Two major motives drive much of the arms acquisitions by the ASEAN nations. These are to maintain internal security and stability and to develop a limited but credible external defense capability. Like many other Third World countries, the ASEAN states are concerned with internal challenges in the form of both active insurgencies and endemic economic and political instability. The process of modernization is inherently destabilizing and sometimes releases forces that are difficult to control. Ruling elites find their positions threatened whether or not they succeed in stimulating development. The line between threats to the nation and threats to themselves is often blurred because they tend to view any threat to their leadership as a challenge to national security. [redacted]

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Perception of a direct military threat, for example, invasion by the Indochinese countries--and by Vietnam in particular--increases in proportion to geographic proximity to these states. Thailand is very concerned, at present, over Vietnam's intentions toward Kampuchea

\*There does not appear to be, however, a direct correlation between defense expenditures and the extent of military involvement in or control of the government. In fact, two civilian governments, Malaysia and Singapore, spent a higher percentage of their GNP on arms in 1978 than any of the military governments (see table 2). [redacted]

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TABLE 2

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Defense Budgets, 1973-78  
(Millions of US Dollars)

<u>FY</u>	<u>Defense Budget</u>	<u>Percent of Central Government Budget</u>	<u>Percent of GNP</u>
<u><b>BURMA*</b></u>			
1973	111.2	6.3	4.5
1974	4.5	0.4	0.3
1975	113.5	6.0	5.0
1976	132.6	5.8	4.8
1977	146.2	6.2	4.7
1978	155.2	5.5	3.7
<u><b>INDONESIA</b></u>			
1973	433.7	20.8	3.0
1974	492.8	17.6	3.4
1975	708.7	18.9	3.5
1976	1,100.0	16.7	3.8
1977	1,261.9	14.0	3.0
1978	1,513.5	14.8	3.0
<u><b>MALAYSIA</b></u>			
1973	296.7	15.8	4.1
1974	437.8	19.4	6.2
1975	477.1	15.5	5.5
1976	500.0	17.3	4.9
1977	547.6	12.5	4.4
1978	697.8	13.4	4.1
<u><b>PHILIPPINES</b></u>			
1973	162.7	21.6	1.8
1974	294.6	18.5	3.3
1975	529.2	27.4	4.0
1976	524.1	16.8	3.1
1977	674.8	18.0	3.4
1978	793.1	17.2	3.1

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Table 2 (Continued)

SINGAPORE

1973	227.0	24.3	5.0
1974	236.1	19.0	4.2
1975	268.2	14.7	4.8
1976	386.3	18.5	6.1
1977	413.5	18.5	5.9
1978	413.0	16.6	6.0

THAILAND

1973	276.8	18.2	3.6
1974	326.5	17.0	4.2
1975	377.9	16.1	4.0
1976	515.1	16.7	3.2
1977	603.9	17.9	3.8
1978	804.2	20.3	3.6

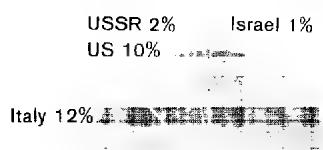
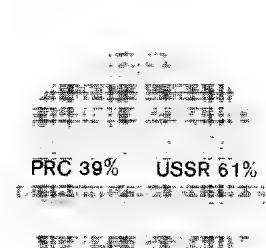
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\*1973 data are for the period 1 October 1972 to 30 September 1973. Data for 1974 include only the 6-month transitional period, 1 October 1973 to 31 March 1974. Subsequent fiscal years end on 31 March.

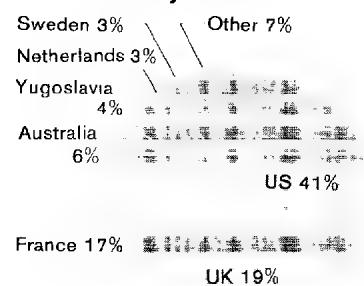
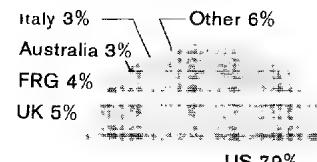
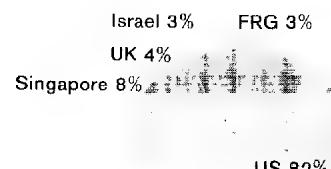
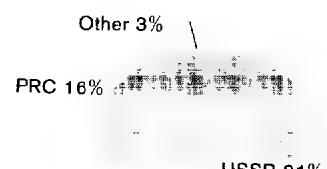
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**Major Arms Suppliers to Southeast Asia (1973-77)****Total Deliveries**

Percent

**Burma****Indonesia****Kampuchea\*****Laos\***

USSR 100%

**Malaysia****Philippines****Singapore****Thailand****Vietnam\***

\*Excluding US Sales from 1973-1975

and the implications of this for Thai security. The Philippines is concerned about potential confrontation with Vietnam over rival claims to oil-rich islands in the Spratly group, although China's involvement as another claimant poses a reassuring deterrent to Vietnamese aggressiveness. Malaysia, Singapore, and Indonesia, however, feel that the Vietnamese threat will probably not materialize for at least the next five years. Nor would indirect external threats--such as outside support to insurgent movements, a possible sharp increase in Soviet naval power in the region, or other forms of subversion\*--necessitate a military response in the near future. [redacted]

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Although ASEAN governments justify the majority of their arms acquisitions by the need to combat domestic insurgencies, it is apparent that their purchases are motivated at least in part by considerations other than internal security. Much of the equipment presently being considered or purchased--F-5E fighter planes, fast patrol boats equipped with guided missiles, sophisticated air defense systems--is clearly not appropriate for counterinsurgency, jungle-type warfare. Moreover, Singapore, which has consistently spent the highest percentage--6 percent--of its GNP on defense of all the ASEAN states, has no insurgency problem at all. [redacted]

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It is more likely that the desire to bolster national pride, self-confidence and prestige, and to achieve self-defined levels of force preparedness as a hedge against future contingencies, are the primary impulses behind ASEAN armed forces modernization and expansion programs. In addition, in several states, military establishments play dominant roles in domestic politics and their interests must be accommodated. In the case of Indonesia, keeping the military satisfied is also necessary to maintain the morale and status of an institution deemed vital for social and economic development. Similarly, the civilian government of the Philippines has acquired weapons as a means of guaranteeing the loyalty and support of its senior military officers. Finally, in many of these poor LDCs, the armed forces are catered to because they provide employment and thus help to alleviate social and economic pressures. [redacted]

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\*The Malaysians and Singaporeans are paranoid about Soviet KGB activities--and the Indonesians about the CIA--in the region. All are concerned about China's influence among the overseas Chinese. [redacted]

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The ASEAN governments are not now seeking large amounts of military aid or equipment on cash or credit terms. Given a large amount of money with which to buy arms, many of these states would probably seek more equipment. Political/economic priorities and financial constraints, however, preclude such expenditures for the foreseeable future. The overwhelming majority of the ASEAN countries have clearly given priority to economic development. Civilian and military leaders alike recognize that the solution to problems of insurgency and instability demands social and economic development programs in at least equal proportions to military operations. Hence, their limited financial resources have been allocated to development, which reduces significantly the amount available to purchase arms. In some cases, too, ASEAN governments are reluctant to seek major new foreign military assistance for fear of provoking domestic political criticism of "dependence" on the supplier and/or of generating a counter-buildup of Indochinese military forces. As a result of these constraints, most of these governments have decided to replace outmoded equipment as resources become available, to weigh carefully new purchases for cost-effectiveness and suitability to existing levels of technical know-how, and, as in the case of Indonesia, to defer more ambitious programs.

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#### Military Cooperation and Indigenous Production

The ASEAN members have eschewed the use of force in their relations with each other and with other regional states. The five countries have forged ties of economic, political, and military cooperation that have enabled them to resolve their territorial conflicts without resort to arms. The last armed conflict--between Indonesia and Malaysia--ended in 1967. Within the ASEAN group, there is also no hegemonic aspirant or recognized regional leader.\* Moreover, despite their political and economic

\*Indonesia, by reason of its sheer size, its revolutionary and Third World credentials, and its strongly anti-Communist military government, considers itself the natural leader in non-Communist Southeast Asia. Other ASEAN members, however, remain suspicious of Indonesia's historical penchant for expansionism and feel that they have stronger political and economic credentials to be the regional spokesman.

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[redacted]  
differences, there is a genuine appreciation on the part of all five that they stand or fall together and that co-operation is not only a cheaper but also a more effective defense against each other and against external enemies.

[redacted]  
Military cooperation among the ASEAN states has grown but is confined to bilateral or, at most, trilateral agreements outside the ASEAN context. The five countries have firmly rejected the idea of a collective military pact, at least for the time being. They believe such an alliance would not only goad Vietnam but would also be pointless since they see the primary threat to them as being one of domestic insurgency rather than external aggression.  
[redacted]

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One form that military cooperation has taken is pursuit of a limited degree of complementarity of military equipment and weapons. Indonesia has taken the lead in promoting standardization of ASEAN equipment to make mutual help easier and arms purchases more economical. Nonetheless, even though the ASEAN countries often exchange experiences and information before purchasing certain equipment, they do not always take complementarity into consideration when deciding on specific arms purchases. For example, the fact that two of the five possess the US-made F-5E fighter aircraft is based more on their preference for American equipment than on a desire for common weapons. In addition, constrained by scarce funds, the individual countries often sacrifice desires for complementarity for the best deal they can make. Even the Indonesians are contemplating purchases of a French Mirage instead of the F-5E because the financial terms are better and the delivery time shorter.  
[redacted]

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Motivated partly by nationalistic resentment of dependence on foreign economic and military assistance and partly by doubts about security of supply, a number of the ASEAN members--Indonesia, and to some extent also Malaysia, Thailand, and the Philippines--have considered creating individual and regional arms self-sufficiency through local production. Only Singapore currently has the industrial capacity and financial resources, however,

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to produce small arms for export. Other members are attempting joint production of small arms and ammunition for their mutual use. [redacted]

Expectations that ASEAN arms factories will produce major quantities of military goods for export in the near future are premature, but the member states will probably pursue coproduction to develop both higher technological capabilities and self-reliance and to generate additional foreign exchange. The profit possibilities of arms sales are especially appealing to Indonesia's military leadership. Indonesia already produces light arms and ammunition for its own use at a military-owned and operated factory in Bandung, and would like to sell abroad to supplement the funds available for military salaries and to finance long-term modernization programs that cannot be budgeted out of government revenues. In addition, both Indonesia and the Philippines want to develop their aviation industries and sell to other countries. [redacted]

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Receptivity to Voluntary Conventional Arms Transfer Restraints

The ASEAN countries at present perceive no need for a formal regional agreement to control conventional arms transfers, and it is likely that they would resist efforts to negotiate one. Thus far, the ASEAN nations as a group have not formally addressed the issue of conventional arms control. Most have expressed individual opinions on disarmament in general, but their emphasis has been on nuclear-weapons-free zones and on East-West arms reductions. The three states that are members of the Non-Aligned Movement--Indonesia, Malaysia, and Singapore--supported that group's resolution at the UN Special Session on Disarmament (SSOD), which placed control of nuclear, chemical, incendiary, and mass-destruction weapons ahead of conventional arms in priority. [redacted]

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Malaysia has been the major spokesman for ASEAN in UN and nonaligned disarmament forums. It has, however, been largely concerned with nuclear disarmament and with promoting its initiative for a zone of peace, freedom and neutrality (ZOPFAN) in Southeast Asia--a scheme intended to remove that region from the area of great power rivalry. ZOPFAN, however, has remained vague and undefined since the ASEAN states agreed to support it in

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principle in 1971; it is not likely to be pursued seriously until ASEAN and the Indochinese states resolve their differences. At this stage, the Malaysian scheme consists of principles for intraregional cooperation and great power guarantees, and it would not be a suitable foundation for conventional arms transfer restraints.

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[redacted]

Philippine participation in a regional arms control agreement, particularly if US-initiated, would be complicated by the presence of US bases in that country. The Philippine Government has managed thus far to soften the effects of unilateral US curbs on conventional arms transfers through exploitation of Washington's interest in maintaining military bases in the Philippines. From Manila's point of view, establishment of a regional conventional arms transfer control regime would be likely to deprive it of at least some of the benefits it currently derives from its favorable bargaining position.

[redacted]

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Thailand's major concerns are the proliferation of nuclear weapons and the competition between the arms-producing superpowers. Thailand supported the SSOD declaration but expressed concern that limiting international arms sales might affect its ability to purchase weapons for its own defense and for combating illicit narcotic traffic.

[redacted]

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Singapore, the sole regional arms exporter, produces small arms, ammunition, and patrol boats for its own use and, increasingly, for export to other ASEAN members under the guise of military cooperation. It has a co-production arrangement with Thailand and is negotiating one with Malaysia. Arms sales to Indonesia, the Philippines, and Thailand amounted to US \$40.6 million from 1973 to 1977 and accounted for 2 percent of total transfers to the ASEAN countries. (Singapore has also sold arms worth about \$1.8 million to Kuwait.) A handicap to the further expansion of Singapore's arms exports is that some of the equipment it makes either includes foreign-made components--such as the Israeli Gabriel guided missiles on the patrol boats sold to Thailand--or is manufactured under foreign license. In both cases, Singapore is required to obtain permission from another supplier before it can conclude a sale.

[redacted]

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Singapore is the only ASEAN state to advocate controlling arms transfers to the region, reflecting its sense of extreme vulnerability as a small and wealthy city-state surrounded by large and poor countries. Singapore is also better armed than its neighbors and would obviously like to maintain this status. In its speech during the SSOD general debate, Singapore acknowledged that all nations--not just the superpowers--are responsible (albeit to different degrees) for the arms race and emphasized that all states must examine their own conduct critically. Singapore also praised the Latin American regional initiative to control acquisition of arms for offensive purposes.\* Privately, the Singaporean Government has expressed its willingness to examine the possibility of negotiating a similar agreement in Southeast Asia. [redacted]

The success of any arms control agreement in Southeast Asia would require the full participation of Indonesia, which is at present the least likely to agree to restrict its purchases of arms. Political and psychological factors would make it extremely difficult for the military government to agree to arms restraints. Nationalist sentiments and xenophobic fears of foreign manipulation, plus the military's own sense of pride as a revolutionary force, would make Indonesia reluctant even to participate in discussions initiated either wholly by nonregional states or by other ASEAN members (and Singapore, in particular) with nonregional support. In addition, the necessity of placating junior officers who are dissatisfied with the slow pace of upgrading military equipment has caused the Suharto government and senior military leaders to plan to accelerate military modernization programs over the next several years. [redacted]

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#### Implications for ASEAN-US Relations

The ASEAN states, two of which are former members of the SEATO security agreement (Thailand and the Philippines), are generally nonaligned but pro-West, and have sought to maintain constructive relations with the United States while keeping the USSR and China at arm's length. They have responded positively to US policies encouraging

\*A commitment undertaken by the eight Latin American signatories of the 1974 Declaration of Ayaçucho.

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them to maintain friendly relations with other states in the region and to pursue responsible economic and fiscal programs. Consequently, they feel that the United States has a moral as well as a security responsibility to supply the military assistance they require, and continue to look to the United States to uphold its stated commitment to regional stability by providing a counterweight to Soviet assistance to Vietnam. Hence, military assistance from the United States has always been regarded by the ASEAN states as a key symbolic barometer of US concern for stability in Southeast Asia. [redacted]

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During the past few years, however, the ASEAN states have voiced an uncertainty about US commitment to their security, and about US military capabilities (naval forces in particular) within the region. Under these circumstances, US advocacy of regional arms transfer restraints could further undermine confidence in Washington's reliability and thus could even trigger something of a local arms race. Moreover, while the ASEAN states clearly prefer US equipment they have already demonstrated a readiness to turn to other suppliers. [redacted]

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Nevertheless, the ASEAN states might be inclined to support controls on the introduction of highly sophisticated or clearly provocative types of weapons to the region--largely because none currently plan to acquire them. They would, however, probably oppose any restriction on their abilities to improve the quality of their forces in accordance with their own assessments of their requirements for individual and collective self-defense. [redacted]

Gaining a sympathetic hearing by the ASEAN states on arms matters will depend not only on the substance of a conventional arms transfer restraint proposal, but also on the manner in which it is presented and the extent to which the ASEAN states are consulted during the process. Their preference for relying on the United States, not only for arms but also for political and security support, their general dislike of the USSR, and their desire not to antagonize Vietnam (which has the largest military establishment in Southeast Asia) or China (whose intentions they suspect) would make the ASEAN states especially sensitive to extraregional initiatives without close prior consultation. Moreover, these factors would probably lead them to insist on the inclusion of Vietnam

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and China in any regional scheme. Finally, Japan, although not an arms supplier, is viewed by the ASEAN states as an important economic and security partner, and thus would probably also be considered as a necessary participant in any conventional arms transfer restraint scheme.



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The North-South Dialogue and US Relations With Key Developing Countries

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Since early 1974 the United States, with its OECD partners, has engaged in a series of multilateral discussions and negotiations with developing countries over various aspects of their demands for a New International Economic Order (NIEO). The nature and substance of these talks--which have collectively come to be called the "North-South Dialogue"--has shifted several times during that period. It has moved, for example, from moments of acrimonious confrontation over the vaguest and most broadly defined issues to almost complete consensus on certain limited technical issues such as that reached last spring to provide debt relief to the poorest developing countries. This article assesses the impact of the North-South dialogue on US bilateral relations with key developing countries and on US interests in other multilateral forums. The assessment focuses on the role of the dialogue in the foreign policies of five key developing countries--Venezuela, Jamaica, Nigeria, Indonesia, and India--and is not directly concerned with the impact of the dialogue on the development needs of LDCs.

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For the five developing countries in this assessment, and for most other LDCs, participation in the North-South dialogue is an integral part of their foreign policy. But the dialogue inevitably competes with other issues for the attention and support of key LDC policymakers, and thus often plays a secondary, although still appreciable, role in the overall context of their foreign policies and of their relations with the United States.

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Decisions on North-South issues are generally made in relative isolation from policies on other multilateral issues or on bilateral diplomatic or commercial relations with the United States. Senior officials, however, take a broad interest in the dialogue, are aware of its overall status, and approve or oversee policies in the dialogue at least in principle. [redacted]

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There is some, but not a great deal, of overlap between the North-South dialogue and other multilateral forums in the sense that success or failure in securing objectives in one area is affected by progress or lack of it in another. A protracted series of setbacks in negotiations on NIEO issues would prompt certain LDCs to express their dissatisfaction in multilateral and bilateral forums, and would thus have a limited effect on the atmosphere of these other meetings. [redacted]

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Nevertheless, one of the key LDC objectives in the dialogue is to keep the United States and other industrialized countries engaged in negotiations on issues that the LDCs consider important to them. Only a US decision to back off from participation in the dialogue altogether--which would be interpreted as a calculated rebuff--would significantly degrade US-LDC relations in other forums. [redacted]

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### Venezuela

Venezuela, under the leadership of President Carlos Andres Perez, has made the New International Economic Order one of the primary goals of an assertive foreign policy that seeks new international influence and prestige for Venezuela. Its policies on North-South issues are based more on ideological and political motives than on a calculation of economic costs and benefits. It is likely, however, that when a new administration takes office in March 1979, other issues--particularly the question of maximizing government oil income--will gain in relative importance. [redacted]

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The decisionmaking process in Venezuela is heavily based on the principle that one man sets the general tone and guidelines for national policies, which are then implemented by the bureaucracy. That power is now

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concentrated in the hands of Perez and is delegated to a handful of officials who will also lose their positions with the change in administration. [redacted]

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While Venezuela will continue to be concerned with most of the issues covered by the NIEO, its interest in such issues as technology transfer to help reduce its dependency on a dwindling oil supply, and growing domestic economic concerns, will generally prevent Caracas from seriously challenging [redacted] interests in bilateral or multilateral forums. [redacted]

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Jamaica

Jamaican political leaders believe that the North-South dialogue has significant long-range importance for their country, but they place a much higher priority on bilateral relations with the United States. The Jamaican Government will not allow North-South disagreements to weaken these relations so long as the United States supports the dialogue in principle. [redacted]

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Prime Minister Michael Manley, the chief architect of Jamaica's foreign policy, has been in the forefront of the demand for a New International Economic Order. His views have been backed strongly by his influential foreign minister, by Jamaica's highly respected permanent representative to the United Nations, and by the country's moderately inclined opposition leaders. Virtually all informed Jamaicans instinctively approve of the NIEO because of its apparent benefits for their nation. [redacted]

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Most Jamaicans, however, are far more concerned with the country's serious economic decline under Manley. Because he believes that his best hope for help in shoring up the Jamaican economy lies with the West, Manley has been working energetically to improve relations with the United States, the largest potential source of bilateral aid. Manley is unlikely to jeopardize that relationship through bilateral actions or moves in other international forums because of lack of progress, or even stagnation in the North-South dialogue. [redacted]

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Nigeria

Nigeria sees its participation in the North-South dialogue primarily as a means of supporting its claim to political leadership in Africa. Lagos sees relatively few direct benefits accruing from its participation in the dialogue and gives priority to other foreign policy goals. Lagos' view of the United States is shaped mainly by its perceptions of US policy toward southern Africa. Over the longer run, however, North-South relations could have a growing impact on governmental attitudes toward the United States.

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Most foreign policy decisions in Nigeria are made by senior members of the 24-man Supreme Military Council. Most economic policy decisions are made at a somewhat lower level by senior civil servants whose technical expertise gives them the final say. With the scheduled shift to civilian rule next October, Nigerian policies in the North-South dialogue could become somewhat more strident, although their relative importance in the overall foreign policy framework would be unlikely to increase.

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As long as the problem of southern Africa persists, the North-South dialogue is unlikely seriously to affect US-Nigerian relations. If the North-South dialogue suffered massive setbacks, Nigerian rhetoric would become sharper. Should Western initiatives on the Rhodesian and Namibian issues fail, Nigeria could well use North-South forums to vent its frustration, and could become increasingly hostile, suspicious, and reluctant to cooperate with the West.

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Indonesia

Participation in nonaligned Third World forums has always been a basic tenet of Indonesian foreign policy. Under the Suharto government, however, the key foreign policy relationships have been bilateral ones, principally those with the United States. Barring a serious domestic political challenge that revived antiforeign nationalism, the present regime is unlikely to permit difficulties that arise in the context of the North-South dialogue to affect its bilateral relations with the United States.

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Most North-South policies are formulated by a small number of technocrats who are responsible for economic development policies. Although its basic inclination is toward modernization and compromise, the Foreign Ministry stresses that Indonesia must maintain solidarity with other developing countries. This tension is reflected in Indonesia's role as a "leading moderate" rather than a "moderate leader." [redacted]

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Jakarta is already concerned that the United States is becoming less interested in Southeast Asia in general and Indonesia in particular. The Suharto government would therefore be likely to react more strongly to a negative US attitude in regional economic negotiations than to US unresponsiveness in North-South negotiations. It would also react strongly, however, to a US decision to reduce or suspend its participation in the North-South dialogue. [redacted]

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### India

Active participation in the North-South dialogue is, for India, a natural extension of a broadly based foreign policy that calls for India to assume a leading role in the Third World. Its regional position and relations with the United States and the USSR are, however, of more immediate concern to most Indian policymakers than the North-South dialogue. India is a force for moderation in the dialogue, in part because of its interest in maintaining good relations with industrialized countries that are potential markets for its exports.

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Indian policies on North-South issues are made at the subcabinet level in both the Ministries of Finance and External Affairs. Only major policy changes would be determined by the top leadership. Indian representatives to the UN in New York and Geneva apparently do not play a major part in the policy formulation process, but they have, as do other Indian representatives to North-South meetings, broad discretion to adjust to tactical circumstances during international meetings. [redacted]

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India's pragmatic approach to most issues suggests that the North-South dialogue would rarely be a determinant of Indian positions in other multilateral meetings,

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although it could be used as an excuse. India is especially pleased with the recent increased frequency and level of consultations with the United States on North-South issues and could thus feel slighted if the United States were to decrease or suspend its participation in the dialogue. [redacted]

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The North-South Dialogue and Other US Multilateral Interests

A fundamental aspect of the foreign policies of almost all members of the Third World, particularly those with a colonial experience, is the desire to secure an increased measure of control over international forces that affect them. They see this as an essential next step in their pursuit of national independence and self-determination and it is reflected in a broad range of LDC efforts to increase their wealth and power. The pursuit of a New International Economic Order is thus linked to other LDC efforts to increase their ability to influence, if not control, issues that are important to them--such as the international dissemination of nuclear-power technology or the control of conventional arms sales. Support for the concept of an NIEO, in the eyes of most LDC leaders, is one of the least controversial stands they can take, even while the developing countries fight almost endlessly among themselves in the LDC caucus, the Group of 77, over specifics, tactics, and strategy for the implementation of an NIEO. [redacted]

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LDCs participate in the dialogue for a number of political and economic reasons. Their economic aspirations often provide motivation, but do not satisfactorily explain their apparent preoccupation with the dialogue. While many LDCs, for example, recognize that some aspects of the NIEO may be either of no economic benefit, or even detrimental to them, they continue to give general support to Group of 77 demands for its implementation. [redacted]

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The motivations underlying political support for the NIEO range from the obvious and direct to the obscure and subtle. Virtually all LDC leaders, for example, can get some domestic mileage out of support for the NIEO because it is a widely popular concept. For some of these leaders, the notion is more important, and

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sometimes more palatable, than its actual content. For some LDCs, supporting or even leading the struggle for an NIEO is a necessary ingredient of their effort to boost their regional or international status, and supporting it in international meetings provides a good opportunity to flex their diplomatic muscles. For others, the bloc politics of the Group of 77 and the nonaligned movement, which depend on reciprocal support of demands that may be of no immediate interest to some members, provides the rationale to support the NIEO. Finally, the pursuit of the NIEO in UN and other forums holds symbolic value for many LDC leaders. Because it forces industrialized countries to negotiate with them, on an agenda the LDCs have chosen, and in forums that are more congenial to them than any others, they see it as a model for future relations with the industrialized countries on all issues.

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#### Multilateral Spillover

The multiplicity of conflicting objectives that most LDCs attempt to reconcile occasionally leads some of them publicly to advocate a multilateral position that they privately oppose.

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Conflicting objectives also contribute to an inconsistency between LDC policies on the North-South dialogue and their policies in other multilateral forums. The structure of the system of international organizations, as it has evolved through the period of decolonization, has often pitted industrialized countries against newly created developing countries in virtually all multilateral forums. It would thus be relatively easy to detect an apparent "North-South" polarity in virtually all international meetings--including such forums as the UN General Assembly, the World Food Council, the UN Disarmament Committee, the International Atomic Energy Agency, and the UN Educational, Social, and Cultural Organization. The alliances that appear in these forums are often superficially similar to those in the North-South dialogue. But in these other settings the proceedings tend to reflect particular political, security, and economic concerns rather than the status of negotiations on an NIEO. Moreover, LDCs also have interests directly related to non-NIEO issues that arise in other multilateral forums, and they are likely to

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allow them to be influenced by the current state of the North-South dialogue only when it serves their objective in those forums. Thus, the individual logic, agenda, and dynamics of these meetings are more likely to determine the acceptance or rejection of US positions than is spillover from the North-South dialogue. [redacted]

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Many LDCs would certainly be disappointed by a series of setbacks to their demands for various aspects of a New International Economic Order, and their level of dissatisfaction would increase with the number of setbacks. Their displeasure with slow or nonexistent progress in negotiations would be reflected in some increase in the level of rhetoric, making the atmosphere of most LDC meetings with the US, bilateral or multilateral, somewhat more contentious. Moreover, setbacks in the North-South dialogue provide the opportunity for expressing, at relatively low cost from the LDC point of view, a certain amount of dissatisfaction with the US position in other forums. In this context the North-South dialogue becomes more an excuse for, than the cause of, a deterioration in an LDC's relations with the US. [redacted]

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Only a declaration by the United States that its future participation in any NIEO-related matters would be restricted--for example, subject to case-by-case review--would have a significant degrading impact on US-LDC relations. Many would view such a move as a sharp reversal of a policy of engagement in the dialogue that the United States has maintained since the Seventh Special Session of the UN in 1975. Even for those LDCs who pay only lip service to the NIEO, such a move would be viewed as a direct challenge to their right to use multilateral diplomacy to satisfy their policy objectives. US curtailment of its participation could therefore raise doubts in the minds of many LDC leaders, including those inclined to be well disposed toward the United States, concerning US willingness to negotiate sincerely in any multinational forum. [redacted]

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